

MAINE STATE LEGISLATURE

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(EMERGENCY)
(New Draft of H.P. 268, L.D. 351)
(New Title)
FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1509

H.P. 1115 House of Representatives, May 11, 1987
Reported by Representative SWAZEY from the Committee on
Taxation and printed under Joint Rule 2.

EDWIN H. PERT, Clerk
Original bill sponsored by Representative KETOVER of
Portland. Cosponsored by Senators BRANNIGAN of Cumberland and
TWITCHELL of Oxford.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

1 **Resolve, Establishing the Special Commission**
2 **to Study the Use of State Valuation**
3 **in Allocation of State Funding Among**
4 **Municipalities.**
5

6 **Emergency preamble.** Whereas, Acts and resolves
7 of the Legislature do not become effective until 90
8 days after adjournment unless enacted as emergencies;
9 and

10 Whereas, land values are increasing at a very
11 fast rate in some parts of the State, thereby in-
12 creasing the state valuation of the areas; and

1 Whereas, increased state valuation results in a
2 lower share of state funds allocated to the areas;
3 and

4 Whereas, funds are allocated on the basis of
5 state valuation and not the municipality's ability to
6 pay; and

7 Whereas, the increased valuation and reduced
8 funds often lead to the necessity of increasing taxes
9 to make up the loss of state funds; and

10 Whereas, for these and other reasons, the method
11 of allocating state funds among municipalities needs
12 to be studied and adjusted to correct unfairness and
13 inefficiencies as soon as possible; and

14 Whereas, in the judgment of the Legislature,
15 these facts create an emergency within the meaning of
16 the Constitution of Maine and require the following
17 legislation as immediately necessary for the preser-
18 vation of the public peace, health and safety; now,
19 therefore, be it

20 **Commission established. Resolved:** That there is
21 established the Special Commission to Study the Use
22 of Valuation in Allocation of State Funding Among Mu-
23 nicipalities, consisting of 11 members; and be it
24 further

25 **Appointment. Resolved:** That 7 members of the
26 commission shall be Legislators of whom 4 shall be
27 members of the Joint Standing Committee on Taxation
28 and 3 shall be members of the Joint Standing Commit-
29 tee on Education. The President of the Senate shall
30 appoint 3 of the legislative members and the Speaker
31 of the House shall appoint 4 of the legislative mem-
32 bers. Both parties shall be represented by legisla-
33 tive members. The Governor shall appoint the remain-
34 ing 4 members who shall be familiar with educational
35 finance and state-municipal revenue sharing, one of
36 whom shall be the Commissioner of Educational and
37 Cultural Services or his designee; one of whom shall
38 be the State Tax Assessor or his designee; one of
39 whom shall be selected from a list of nominees sub-
40 mitted by the Maine Municipal Association; and one of
41 whom shall be selected from a list of nominees sub-

1 mitted by the Maine School Management Association.
2 The Governor shall notify the presiding officers and
3 the Executive Director of the Legislative Council
4 when the 4 gubernatorial appointments are made. Leg-
5 islative members shall not be disqualified for dis-
6 continuance of legislative service. Vacancies may be
7 filled with qualified appointees by the appointing
8 authority. Appointments shall be made by June 1,
9 1987; and be it further

10 **Scope of authority. Resolved:** That the commis-
11 sion shall examine the current use of state valuation
12 to determine local ability to pay under the School
13 Finance Act of 1985, Maine Revised Statutes, Title
14 20-A, chapter 606 and the state municipal revenue
15 sharing laws, Title 30, section 5055. The commission
16 shall consider alternatives to state valuation for
17 determination of local ability to pay in the alloca-
18 tion of state funding among municipalities under
19 these programs; and be it further

20 **Reporting deadline. Resolved:** That the commis-
21 sion shall report its findings and recommendations to
22 the Second Regular Session of the 113th Legislature
23 no later than February 15, 1988; and be it further

24 **Convening. Resolved:** That the Chairman of the
25 Legislative Council shall convene the first meeting
26 of the commission within 30 days of appointment of
27 the 11 members; and be it further

28 **Chairman. Resolved.** That the members of the
29 commission shall select a chairman from among the
30 members; and be it further

31 **Staff. Resolved:** That staff shall be requested
32 from the Legislative Council, the Bureau of Taxation
33 and the Department of Educational and Cultural Ser-
34 vices; and be it further

35 **Compensation. Resolved:** That the legislative
36 members shall receive the legislative per diem. All
37 members, except those who are state employees, shall
38 receive reimbursement for expenses; and be it further

39 **Appropriation. Resolved:** That the following
40 funds are appropriated from the General Fund to carry
41 out the purposes of this resolve.

1
2 LEGISLATURE3 Special Commission to
4 Study the Use of State
5 Valuation in Alloca-
6 tion of State Funding
7 Among Municipalities

8 All Other

\$6,375

9 Funds include
10 \$1,925 for com-
11 pensation for 7
12 Legislators and 5
13 meetings; \$2,250
14 for other member
15 expenses; \$1,900
16 for reports and
17 miscellaneous
18 matters; and \$300
19 for public hear-
20 ings.21 **Emergency clause.** In view of the emergency cited
22 in the preamble, this resolve shall take effect when
23 approved.24 STATEMENT OF FACT25 This new draft creates a special study commission
26 through a resolve to study the issue the original
27 bill addressed. The Special Commission to Study the
28 Use of State Valuation in Allocation of State Funding
29 Among Municipalities will consist of 11 members ap-
30 pointed by the President of the Senate, the Speaker
31 of the House and the Governor. Both parties will be
32 represented. The commission will report to the Sec-
33 ond Regular Session of the 113th Legislature no later
34 than February 15, 1988.35 The purposes of the special commission are to ex-
36 amine the appropriate use of "state valuation" in
37 calculating allocation of the School Finance Act of

1 1985 reimbursements and state municipal revenue shar-
2 ing receipts and to consider alternative measures of
3 local ability to pay for these programs.

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